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# Copyright's Not So Little Secret: The Orphan Works Problem and Proposed Orphan Works Legislation

Aaron C. Young

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COPYRIGHT'S NOT SO LITTLE SECRET: THE ORPHAN WORKS  
PROBLEM AND PROPOSED ORPHAN WORKS LEGISLATION

AARON C. YOUNG, JD, LL<sup>1</sup>

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“Whenever a copyright law is to be made or altered, then the idiots  
assemble”<sup>2</sup>

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<sup>1</sup> Aaron C. Young is a 2001 graduate of Marquette University Law School in Milwaukee, WI, and a 2003 graduate of the Entertainment & Media Law Master of Laws program at Southwestern Law School, Los Angeles, CA. Aaron is a former Adjunct Professor of Law at Hamline University School of Law teaching Sports Law, Adjunct Professor of Law at William Mitchell College of Law teaching Client Representation, and Adjunct Professor at McNally Smith College of Music teaching Legal Aspects of Music & Entertainment. Special thanks to my proofreaders: my mother, Juanita Young, and my part-time paralegal and full-time friend, Katherine Finn.

## I. INTRODUCTION

What is an orphan work? When you hear the term “orphan work,” do you immediately think of a copyright dressed in rags and holding a bowl saying, “Please, sir, I want some more?” à la Mark Lester as the orphan Oliver in the movie of the same name?<sup>3</sup> Have you ever interacted with, viewed, read, heard, or used an orphan work? Are you an author of an orphan work? These are all important questions regarding the issues of orphan works in the United States and, more broadly, the entire world. The answer to at least one of these questions is almost certainly “yes” for the vast majority of the United States population, even though most people probably do not realize it.

The majority of twentieth and twenty-first century original works of authorship probably fall within a general definition of orphan works.<sup>4</sup> It has been estimated that up to ninety percent of all works presently under copyright fall within a definition of orphan works.<sup>5</sup> These numbers and the severity of the orphan works problem, however, are by no means universally accepted. Certain national trade groups and unions have disputed the severity or actual existence of an orphan works problem.<sup>6</sup> The Copyright Office, however, refutes these views as outliers from the general consensus that a substantial orphan works problem is at hand.<sup>7</sup>

The explosion in the number of photographs taken since the year 2000 is a prime example of the increase in the number of copyrighted works created and the potential for exasperation from the orphan works problem. Kodak estimated that 80 billion photographs

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<sup>2</sup> *Copyright*, TWAINQUOTES.COM, <http://www.twainquotes.com/Copyright.html> (last visited May 14, 2016) (collecting quotes by Mark Twain by subject).

<sup>3</sup> *OLIVER!* (Columbia Pictures 1968).

<sup>4</sup> CENTER FOR THE STUDY OF THE PUB. DOMAIN, DUKE LAW SCH., ORPHAN WORKS ANALYSIS AND PROPOSAL 2 (Mar. 2005), <https://web.law.duke.edu/cspd/pdf/cspdproposal.pdf> [hereinafter ORPHAN WORKS ANALYSIS AND PROPOSAL]; *Orphan Works*, CENTER FOR THE STUDY OF THE PUB. DOMAIN, <https://web.law.duke.edu/cspd/orphanworks.html> (last visited May 14, 2016).

<sup>5</sup> Helen Sedwick, *The Problem of Orphan Works*, HELEN SEDWICK (Nov. 22, 2015), <http://helensedwick.com/the-problem-of-orphan-works/>.

<sup>6</sup> U.S. COPYRIGHT OFFICE, ORPHAN WORKS AND MASS DIGITIZATION: A REPORT OF THE REGISTER OF COPYRIGHTS 37 (June 2015), <http://copyright.gov/orphan/reports/orphan-works2015.pdf> [hereinafter ORPHAN WORKS AND MASS DIGITIZATION] (referencing statements by the Authors Guild, Inc. and the National Writers Union).

<sup>7</sup> *Id.* at 37–38.

were taken worldwide in the year 2000, which set a new record for photos taken in a year.<sup>8</sup> It is estimated that more than 1 trillion photographs were taken worldwide in 2015.<sup>9</sup> Of those one trillion photos taken, an estimated 748 billion were taken using cameras in phones.<sup>10</sup> Now imagine how those billions and billions of photographs are made public through sharing in social media and mobile applications.

Facebook, at the close of 2015, had over 1.5 billion monthly active users worldwide who posted 300 million photos per day.<sup>11</sup> According to Snapchat, a photo sharing application, in mid-2015 there were 8,796 photos shared every second. That equates to 759,974,400 photos shared per day by users on the application.<sup>12</sup> These statistics do not take into account other photo sharing sites such as Whatsapp, Flickr, Pinterest, or Tapiture, among many others, that also account for millions of photo postings each day.<sup>13</sup> The sharing and re-sharing of billions of photographs each year will likely lead to a loss of the identity of the original owner of photographs and an explosion in the number of works that fall within a general definition of orphan works.

This proliferation of authorship, in part due to technological advancements like the camera phone, has created a vast ocean of works whose authorship is often difficult to ascertain at best and absolutely indeterminable at worst. These orphan works are then left to live in the orphanage of copyright limbo, neither able to further the advancement of culture through their use nor able to benefit their authors through licensing and monetization. Due to this, the issue of orphan works

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<sup>8</sup> Stephen Heyman, *Photos, Photos Everywhere*, N.Y. TIMES (July 29, 2015), [http://www.nytimes.com/2015/07/23/arts/international/photos-photos-everywhere.html?\\_r=0](http://www.nytimes.com/2015/07/23/arts/international/photos-photos-everywhere.html?_r=0).

<sup>9</sup> *Id.*; Jaron Schneider, *Infographics: There Will Be One Trillion Photos Taken in 2015*, RESOURCE MAG. (Dec. 12, 2014), <http://resourcemagonline.com/2014/12/infographic-there-will-be-one-trillion-photos-taken-in-2015/45332/>.

<sup>10</sup> *Id.*

<sup>11</sup> *The Top 20 Valuable Facebook Statistics – Updated December 2015*, ZEPHORIA DIGITAL MARKETING, <https://zephoria.com/top-15-valuable-facebook-statistics/> (last visited May 14, 2016).

<sup>12</sup> *If you were to view all the photos shared on Snapchat in the last hour how long would it take?*, CEWE-PHOTO WORLD.COM, <https://cewe-photoworld.com/how-big-is-snapchat/> (last visited May 14, 2016); Kimberlee Morrison, *How Many Photos Are Uploaded to Snapchat Every Second?*, SOCI. TIMES (Jun. 9, 2015, 10:00 AM), <http://www.adweek.com/socialtimes/how-many-photos-are-uploaded-to-snapchat-every-second/621488>.

<sup>13</sup> Morrison, *supra* note 12.

legislation has been a growing topic of interest for inclusion into the United States Copyright Act.

The issue of orphan works legislation has been kicked around, debated, lamented, and generally stressed over for more than a decade in the United States. This handwringing over orphan works legislation has not been, and is not, a one-sided affair. Both the creators of original works of authorship and potential users of those works have had, and continue to have, serious reservations concerning the potential passage of orphan works legislation and the potential impact thereof.

On June 4, 2015, the United States Copyright Office issued *Orphaned Works and Mass Digitalization: A Report of the Register of Copyright*<sup>14</sup> (“2015 Report”). The 2015 Report, in part, outlines the Copyright Office’s proposal for orphan works legislation and the reasoning behind the recommendations. The 2015 Report was lauded by many as the best-yet proposed solution to the orphan works issue in the United States. At the same time, it also brought a firestorm of anger and dread that the solutions proposed by the 2015 Report would strip authors of their basic right and ability to control their own works.

There can be little argument that the orphan works issue has become divisive and hyperbolic in the United States. A basic Internet search of “orphan works” finds thousands search results on the subject.<sup>15</sup> In general, the spectrum of many of the search results range from “the sky is falling” alarmism that the government is going to take away copyrights from authors and make works available for use by anyone without regard for the author to even-minded, thoughtful analysis of proposed orphan works legislation to cheerleaders for addressing the orphan works issue with very little regard for authors.<sup>16</sup>

This paper will examine the issue of orphan works in general, issues that orphan works legislation brings into question, and the legislation proposed by the Copyright Office in the 2015 Report. This paper will then offer analysis and recommendations regarding the handling of orphan works in the United States. As there is presently no statutory law regarding orphan works in the United States, this paper

<sup>14</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6.

<sup>15</sup> *Orphan Works – Google Search*, GOOGLE, <https://www.google.com/search?sourceid=chrome-psyapi2&ion=1&espv=2&ie=UTF-8&q=Orphan%20Works&oq=Orphan%20Works&aqs=chrome.69i59j0l5.1906j0j7> (last visited May 14, 2016).

<sup>16</sup> See e.g., *A Little More Orphan Works*, RICHMOND ILLUSTRATION, INC., (JULY 21, 2015), <http://www.tomrichmond.com/2015/07/21/a-little-more-orphan-works/> (spanning all three categories).

will focus on the perspectives of numerous groups, including: artists, non-profit institutions, for-profit companies, and the Copyright Office. Finally, this paper will endeavor to provide observations and analyses that are applicable to academic readers, practitioners, and laypersons.

## II. ORPHAN WORKS IN THEORY

Prior to delving into an analysis of the 2015 Report and considering recommendations for future legislation, it is important to get a perspective of the state of orphan works today. This understanding includes: how orphan works are defined in the legal profession; , what falls within the definition of orphan works; and what, if anything, could possibly be excluded from orphan works.

### A. *Orphan Works Generally Defined*

What is the definition of orphan works? It depends upon whom you ask. There is no official, codified definition of orphan works. The Copyright Act of 1976 does not address or define orphan works. The “Report on Orphaned Works” issued by the Copyright Office in 2006 (“2006 Report”) defines orphan works as: “a term used to describe the situation where the owner of a copyrighted work cannot be identified and located by someone who wishes to make use of the work in a manner that requires permission of the copyright owner.”<sup>17</sup>

This definition, however, was never codified or officially adopted. The 2015 Report discusses orphan works in depth but never provides a standalone definition of orphan works. However, the 2015 Report does include a Federal Register entry for notice of inquiry regarding the 2015 Report that notes and expands on the 2006 Report definition: “An ‘orphan work’ is an original work of authorship for which a good faith, prospective user cannot readily identify and/or locate the copyright owner(s) in a situation where permission from the copyright owner(s) is necessary as a matter of law.”<sup>18</sup>

By researching beyond the Copyright Office, a number of differing definitions of orphan works can be found. The *NOLO Plain-Language Dictionary* takes a more simplistic approach, defining orphan works as: “Works protected under copyright whose owners are difficult

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<sup>17</sup> U.S. COPYRIGHT OFFICE, REPORT ON ORPHAN WORKS: A REPORT OF THE REGISTER OF COPYRIGHTS 1 (Jan. 2006), <http://copyright.gov/orphan/orphan-report.pdf>.

<sup>18</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, app. B.

to locate -- for example, a photograph taken of Elvis Presley as a teenager, or a newspaper column from a 1950s newspaper.”<sup>19</sup>

The Cornell University Law School’s Legal Information Institute has also adopted the NOLO definition.<sup>20</sup> USLegal.com defines an orphan work as:

Orphan works are works which are under copyright, but whose owner or the estate either cannot be found or cannot be identified. Sometimes the name of the creator or copyright owner may be known but other than the name no information can be established. Other reasons for a work to be orphan include that the copyright owner is unaware of their ownership or that the copyright owner has died and it is not possible to establish to whom ownership of the copyright has passed.<sup>21</sup>

Legal standards such as Black’s Law Dictionary<sup>22</sup> and the FindLaw Legal Dictionary<sup>23</sup> have no listings for or definitions of “orphan works” at all.

An examination of the varying definitions brings to light a number of general similarities but also a glaring lack of specific similarities. The overarching issue in all definitions of orphan works is: who is the owner of the copyright in question?, and, can that copyright owner be contacted? There are other substantive issues to be considered when defining orphan works that are not expressly covered in any of the definitions above.

#### *B. Is a Work Truly an Orphan or Only Anti-Social?*

When professionals and scholars in the legal profession cannot make a determination of what constitutes orphan works, it is unlikely

<sup>19</sup> *Orphan Works*, NOLO’S PLAIN-ENGLISH DICTIONARY, <http://www.nolo.com/dictionary/orphan-works-term.html> (last visited May 14, 2016).

<sup>20</sup> *Orphan works*, CORNELL UNIV. L. SCH.: LEGAL INFO. INST., [https://www.law.cornell.edu/wex/orphan\\_works](https://www.law.cornell.edu/wex/orphan_works) (last visited May 14, 2016).

<sup>21</sup> *Orphan Work Law & Legal Definition*, USLEGAL.COM, <http://definitions.uslegal.com/o/orphan-work/> (last visited May 14, 2016).

<sup>22</sup> THE LAW DICTIONARY, <http://thelawdictionary.org> (last visited May 14, 2016) (“[f]eaturing” *Black’s Law Dictionary*).

<sup>23</sup> *FindLaw Legal Dictionary*, FINDLAW, <http://dictionary.findlaw.com> (last visited May 14, 2016).

that a non-legal professional or copyright owner will have much luck doing so or even be familiar with the term “orphan works.” A comparison of the language of the differing definitions of orphan works illustrates a significant issue in addressing the orphan works problem; what, exactly, constitutes an orphan work?

For the moment, let us accept the basic premise, for argument’s sake, that an orphan work is a work of authorship whose owner cannot be readily identified and/or located by a prospective user of the work in question and for which a license would more likely than not be required from the copyright owner for the proposed use. Now consider a situation in which an owner of a copyrighted work can be identified and can be located but simply refuses to reply or have any contact with the proposed licensor of the copyrighted work. If the artist is a recluse, à la J.D. Salinger, or living off the grid, and affirmatively chooses to ignore all requests for a license, does this make the work an orphan?

According to the 2015 Report, these types of situations may or may not create an orphan work situation. In the 2015 Report, the act of locating the owner of a copyright is consistently equated with a response from the copyright owner in order to avoid the work being designated as an orphan work. The issue of an intentionally non-responsive copyright owner is never addressed. However, it is addressed in the proposed orphan works legislation, which states that if a copyright owner fails to respond to “any inquiry or other communication,” the non-response by the copyright owner is not enough to qualify as a diligent search.<sup>24</sup> This could be read to mean non-responses to multiple requests in conjunction with other searches would be enough to qualify as a diligent search for the purpose of an orphan works limitation of liability. A potential user could make a reasonable argument that multiple non-responses to license requests submitted to a copyright owner’s last known address indicate that the copyright owner cannot be “located.” If the copyright owner cannot be “located” and other diligent searches have been performed, the work could then be designated an orphan work because the copyright owner chose not to respond to the license requests. This situation could create an affirmative duty on the part of the copyright owner to respond to all

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<sup>24</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, app. A at 3–4 (giving proposed language for amended 17 U.S.C. § 514(b)(2)(A)(iv)(II)).



copyright license requests in order to avoid an orphan work designation for the work requested.

The establishment of an affirmative duty on the part of all copyright owners to reply to all licensing requests creates a consequential new burden upon copyright owners. This situation would be a significant departure from the general premise that copyright owners have the right to control their copyrights as they see fit with the affirmative duty of obtaining a license on the prospective user. This scenario, although potentially in the minority of licensing requests, is nonetheless important to consider, as this could be the creation of a new affirmative duty on the part of the copyright owner, which would be a significant departure from the present requirements of copyright owners. The examination of a situation similar to this one leads to the consideration of what other tenets of copyright might be affected if orphan works legislation is enacted.

### C. *The Inclusion of Unpublished Works in Orphan Works*

The question of whether both published and unpublished works should be included within the definition of orphan works is controversial and sharply contested. As a matter of practicality, the issue of what constitutes a published work is itself sharply debated. While this paper does not fully discuss what constitutes published and unpublished works,<sup>25</sup> it is important to address the published and unpublished works issue as it pertains to the orphan works discussion.

The inclusion of unpublished works into the orphan works discussion must bring about the recognition that a copyright owner generally has the right to control the first publication of a work.<sup>26</sup> The right to first publication, although not expressly set forth within 17 U.S.C. § 106, is addressed in several other sections of the 1976 Copyright Act, including sections 108 and 115.<sup>27</sup> Furthermore, the United States Supreme Court in *Harper & Row Publishers, Inc. v.*

<sup>25</sup> For more information on the issue of what constitutes a published work, see generally RayMing Chang, *Publication Does Not Really Mean Publication: The Need to Amend the Definition of Publication in the Copyright Act*, 33 AIPLA Q.J. 225 (2005), and Deborah R. Gerhardt, *Copyright Publication: An Empirical Study*, 87 NOTRE DAME L. REV. 135 (2011). See also Thomas F. Cotter, *Toward a Functional Definition of Publication in Copyright Law*, 92 MINN. L. REV. 1724, 1770 (2008).

<sup>26</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 85 n.346 (citing *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 553 (1985)).

<sup>27</sup> *Id.*

*Nation Enterprises* stated that “[t]he fact that a work is unpublished is a critical element of its ‘nature.’”<sup>28</sup> Although *Harper & Row* was a case dealing with fair use, the Court did not qualify that statement as only applying to the fair use analysis.

The acknowledgement by the Court of the importance of whether a work is published or unpublished should cause pause when considering if orphan works should include unpublished works. If being unpublished is a “critical element” to the “nature” of the work’s copyright, then the next question must be: What constitutes publication? Again, this is not an easy question to answer. The Copyright Act of 1976 defines publication as:

“Publication” is the distribution of copies or phonorecords of a work to the public by sale or other transfer of ownership, or by rental, lease, or lending. The offering to distribute copies or phonorecords to a group of persons for purposes of further distribution, public performance, or public display, constitutes publication. A public performance or display of a work does not of itself constitute publication.

To perform or display a work “publicly” means—

- (1) to perform or display it at a place open to the public or at any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered; or
- (2) to transmit or otherwise communicate a performance or display of the work to a place specified by clause (1) or to the public, by means of any device or process, whether the members of the public capable of receiving the performance or display receive it in the same place or in separate places and at the same time or at different times.<sup>29</sup>

This definition, however, is not as straightforward as it may first appear. Because this definition of publication was created prior to the

<sup>28</sup> *Harper & Row Publishers*, 471 U.S. at 564 (citing 3 NIMMER 13.05[A]; Joseph R. Re, Comment, *Stage of Publication as a ‘Fair Use’ Factor*: *Harper & Row, Publishers Inc. v. Nation Enterprises*, 58 ST. JOHN’S L. REV. 597, 613 (1984)).

<sup>29</sup> 17 U.S.C. § 101 (2012).

advent of the Internet and digital distribution, it has not been able to keep pace with the rapid development of technology. The Copyright Office stated in a Circular that the 17 U.S.C. § 101 definition of “publication” does not address online transmission of works and that it is up to the person filing for a copyright to make the determination whether a work had been published or not at the time of copyright application.<sup>30</sup>

The courts have made numerous rulings since the adoption of the “publication” definition in 17 U.S.C. § 101 that have created significant confusion in determining when publication has actually occurred. Three rulings out of the Southern District of New York highlight this confusion. The court in *Getaped.com, Inc. v. Cangemi* ruled that the posting of a webpage was enough to constitute publication.<sup>31</sup> The court in *Einhorn v. Mergatroyd Productions* found that a posting of an off Broadway play performance on the Internet did not constitute publication, even if it did constitute distribution, due to a lack of commercial exploitation, which the court said was required for publication.<sup>32</sup> The court in *McLaren v. Chico’s FAS, Inc.* found that the mere posting of images onto a website did not rise to the level of publication.<sup>33</sup>

Cases from a variety of other courts further illustrate the inconsistencies in this area. A court in the Northern District of California commented that the act of posting a website online and making it open to the public was enough to constitute publication.<sup>34</sup> Another court in the Southern District of Florida ruled that the posting of a music file to the Internet was enough to constitute publication, if the music file was available to be downloaded by the public.<sup>35</sup> But, a court in the Southern District of Texas ruled that the posting of webpages online was not enough to constitute distribution of the webpages and therefore did not rise to the level of publication.<sup>36</sup>

<sup>30</sup> U.S. COPYRIGHT OFFICE, CIRCULAR 66, COPYRIGHT REGISTRATION FOR ONLINE WORKS 3 (2009), <http://www.copyright.gov/circs/circ66.pdf> [hereinafter CIRCULAR 66].

<sup>31</sup> *Getaped.com, Inc. v. Cangemi*, 188 F. Supp. 2d 398, 402 (S.D.N.Y. 2002). This decision has been significantly criticized. See e.g. RayMing Chang, *supra* note 25, at 239.

<sup>32</sup> *Einhorn v. Mergatroyd Prods.*, 426 F. Supp. 2d 189, 197 (S.D.N.Y. 2006).

<sup>33</sup> *McLaren v. Chico’s FAS, Inc.*, No. 10 Civ. 2481(JSR), 2010 WL 4615772, at \*4 (S.D.N.Y. Nov. 9, 2010).

<sup>34</sup> *Sleep Sci. Partners v. Lieberman*, No. 09-04200 CW, 2010 WL 1881770, at \*6 (N.D. Cal. May 10, 2010).

<sup>35</sup> *Kernal Records Oy v. Mosley*, 794 F. Supp. 2d 1355, 1364 (S.D. Fla. 2011).

<sup>36</sup> *Rogers v. Better Bus. Bureau of Metro. Houston, Inc.*, No. H-10-3741 (Aug. 15, 2011).

Adding to the confusion of what constitutes publication for the purpose of copyright is the consideration of when a particular copyrighted work was potentially published. The applicable definition for what constitutes publication depends on when the publication supposedly took place.<sup>37</sup> If the purported publication of a work took place prior to January 1, 1978, then the present statutory definition, set forth above, would not be applied. The copyright holder or the court would be required to determine what constituted publication under the law at the time the work was claimed to be published.

Taking into consideration the above issues of defining what constitutes publication, when and if publication occurred, and the Copyright Office's admission that technology issues have out-stretched the pre-Internet Copyright Act, it is not difficult to imagine an untenable situation arising if unpublished works were excluded from orphan works legislation. The exclusion of unpublished works from any orphan works legislation would potentially create more of a quagmire within the United States copyright system than presently exists with no orphan works legislation. Each potential designation of a work as an orphan work could be challenged on the grounds of publication, potentially clogging the courts with thousands of cases over publication or lack thereof.

While copyright owners' rights to control first publication are important, they are by no means sacrosanct. The Copyright Office acknowledges that the definition of "publication" in 17 U.S.C. § 101 is out of date and in need of revision.<sup>38</sup> The courts, as set forth above, have provided very little continuity in determining what constitutes publication and how the statutory definition should be interpreted and applied. Some courts appear to have broadened the definition of publication in some circumstances in an attempt to address new issues in on-line publication that were not foreseeable by the drafters of the 1976 Copyright Act. As distasteful as it might be for copyright owners, the inclusion of unpublished works must necessarily be included in any orphan works legislation in order to create a semi-functional orphan works solution.

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<sup>37</sup> Cotter *supra* note 25, at 1726; Gerhardt *supra* note 25, at 6.

<sup>38</sup> CIRCULAR 66, *supra* note 30.

### III. PROPOSED ORPHAN WORKS LEGISLATION

The Copyright Office states in the 2015 Report, “[t]he goal of any orphan works provision should be to unite owners and users.”<sup>39</sup> To this end, the Copyright Office proposed a general “limited liability” model of orphan works legislation that it believes will be the best fit for the United States copyright system.<sup>40</sup> This model would apply to both commercial and noncommercial actors and have an eye on global copyright developments.<sup>41</sup> The 2015 Report also set forth a number of specific recommendations for the application of future orphan works legislation.

#### A. Case-By-Case v. Systematic Analysis

Following the release of the 2015 Report, one of the many concerns reported throughout the blogosphere was concern over a mass taking of copyright owners’ rights.<sup>42</sup> The perception by some was that the new orphan works recommendations were set to broadly designate huge groups of works as orphan works for anyone to use and profit from with no concern for the copyright owner. This could not be further from the truth.

This confusion may have arisen due to the 2015 Report’s dual purpose: addressing both orphan works and mass digitalization. The 2015 Report takes drastically different approaches to each issue, addressing orphan works on a case-by-case basis and mass

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<sup>39</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 60.

<sup>40</sup> *Id.* at 3.

<sup>41</sup> *Id.*

<sup>42</sup> See generally Brad Holland, *The Return of Orphan Works: “The Next Great Copyright Act,”* POOR BRADFORD’S ALMANAC (Jul. 2, 2015), [http://www.drawger.com/holland/?article\\_id=15400](http://www.drawger.com/holland/?article_id=15400); Brett, *Don’t Believe the Hyperbole, There’s No Orphan Works Law Before Congress (Updated)*, GRAPHIC POLICY: WHERE BOOKS AND POLITICS MEET... (Jul. 20, 2015), <http://graphicpolicy.com/2015/07/20/dont-believe-the-hyperbole-theres-no-orphan-works-law-before-congress/>; *Google Prevails in Copyright Lawsuit*, ILLUSTRATOR’S P’SHIP ORPHAN WORKS BLOG (Oct. 16, 2015), <http://ipaorphanworks.blogspot.com>; Katie Lane, *What’s This “Orphan Works” Business About?*, WORK MADE FOR HIRE (Jul. 2015), <http://www.workmadeforhire.net/the-rest/whats-this-orphan-works-business-about/>; Sedwick, *supra* note 5; Michael Zhang, *Orphan Works Copyright Law Being Considered Again in the US*, PETAPIXEL (Jul. 21, 2015), <http://petapixel.com/2015/07/21/orphan-works-copyright-law-being-considered-again-in-the-us/>.

digitalization on a blanket systematic basis,<sup>43</sup> although this may not always be clear to the casual reader. One of the other areas that may have exacerbated copyright owners' concerns was that the 2015 Report focused heavily on nonprofit institutions, such as archives, educational institutions, libraries, museums, and public broadcasters, and the problems that these institutions faced regarding orphan works in their collections.<sup>44</sup> Nevertheless, the 2015 Report specifically set forth that the entire recommendation on the orphan works problem was based upon a case-by-case application.<sup>45</sup> This recommendation of a case-by-case application, however, is not universally applauded.

There are factions within the groups of archives, libraries, and museums that contend that a case-by-case system is overly burdensome and completely unworkable for institutions that may hold hundreds or thousands of works that could be orphaned.<sup>46</sup> These groups are concerned that the steps that would be required to be taken in order to reach the orphan works limitation on liability would be so time consuming and expensive as to make their execution untenable.<sup>47</sup>

The Copyright Office recognized the concerns of nonprofit institutions and formulated an extended safe harbor for nonprofit educational institutions, museums, libraries, archives, and public broadcasting entities.<sup>48</sup> The extended safe harbor for these nonprofit institutions would provide for further limited liability for qualifying uses. If a qualifying nonprofit could show that it had: 1) complied with the other orphan works safe harbor requirements; 2) performed the infringement without any intent of direct or indirect commercial advantage; 3) used the orphan work primarily for educational, religious, or charitable purposes; and 4) promptly ceased use of the orphan work upon notification of copyright infringement from the copyright owner, then a court would be barred from ordering the nonprofit institution to pay even reasonable compensation for the use of the work.<sup>49</sup> However, this extended safe harbor would not be applicable to qualifying

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<sup>43</sup> ORPHAN WORKS AND MASS DIGITIZATION *supra* note 6, at 72.

<sup>44</sup> *Id.* at 38, 64.

<sup>45</sup> *Id.* at 2, 34, 72.

<sup>46</sup> *Id.* at 52, 60, 61.

<sup>47</sup> *Id.*

<sup>48</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 64–65.

<sup>49</sup> *Id.*

nonprofit institutions that did not comply with all of the requirements set forth above.<sup>50</sup>

The Copyright Office noted in the 2015 Report that nonprofit educational institutions, museums, libraries, archives, and public broadcasting entities use of works for educational, religious, or charitable purposes may tangentially touch on commercial use as well.<sup>51</sup> The inclusion of the qualifier “primarily” in step 3 of the nonprofit extended safe harbor is intentional. The 2015 Report acknowledges that nonprofit educational, religious, or charitable purposes may at times generate minor commercial revenue. The Copyright Office makes clear that potential for minor commercial revenue is not an automatic disqualifier from the nonprofit extended safe harbor. As long as the purpose is primarily for nonprofit educational, religious, or charitable purposes, that is enough to qualify for the orphan works nonprofit extended safe harbor.

The Copyright Office also noted in the 2015 Report that a case-by-case application instead of blanket systematic uses would provide greater protection for copyright owners.<sup>52</sup> This would be achieved through the prerequisite that each potential user of a work be required to take the appropriate steps to reach the orphan works limitation on liability. No potential user of a work would be allowed to free ride on the prior research and filing of a previous user.<sup>53</sup> By each potential user being required to do the appropriate research and file the required forms, it is presumed to be more likely that a copyright owner may be identified and contacted before a future use of the owner’s copyrighted work.<sup>54</sup> Through these required steps, it is then more likely to put the copyright owner on notice that the work in question may be considered an orphan work by other potential users, as well as providing the copyright owner with possible licensing fees for the work.

The result is that a case-by-case system is friendlier to copyright owners due to the requirement of individual research into each orphan work prior to the application of an orphan works limitation of liability, thus creating a greater chance of identifying the copyright

<sup>50</sup> *Id.* at 65–66 (noting that not all nonprofit organizations are non-commercial in their business activities and discussing the effect of those activities on the market).

<sup>51</sup> *Id.*

<sup>52</sup> *Id.* at 72.

<sup>53</sup> *Id.* at 64.

<sup>54</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 2–4.

owner and removing that work from an orphan work designation. At the same time, the case-by-case system also takes into consideration the importance of protecting nonprofit institutions and the work that they do in the preservation of works.

*B. Reaching the Orphan Works Limitation on Liability*

The 2015 Report proposes a two-step process for inclusion in the proposed orphan works legislation.<sup>55</sup> These steps, as part of the limited liability scheme proposal, would be requirements for any orphan work user before receiving the orphan works limitation of liability protection.

*1. Good Faith Diligent Search*

Anyone that has ever done any type of copyright clearance is familiar with the research that goes into making sure that all of the proper rights are acquired and that nothing is missed. The research can be time intensive and involves searching broad and diverse realms. This is precisely what the Copyright Office proposes to be Step One in order to reach the orphan works limitation on liability: a “good faith diligent search.”<sup>56</sup>

*a. Domestic Searches*

The 2015 Report proposes to “[d]efine a diligent search as, at a minimum, searching Copyright Office records; searching sources of copyright authorship, ownership, and licensing; using technology tools; and using databases, all as reasonable and appropriate under the circumstances.”<sup>57</sup> However, the 2015 Report goes on to specify that a search is only diligent if a user searches and utilizes, “(1) Copyright Office online records; (2) reasonably available sources of copyright authorship and ownership information, including licensor information where appropriate; (3) technology tools and, where reasonable, expert assistance (such as a professional researcher or attorney); and (4) appropriate databases, including online databases.”<sup>58</sup>

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<sup>55</sup> *Id.* at 3–4.

<sup>56</sup> *Id.* at 56.

<sup>57</sup> *Id.* at 3 (emphasis added).

<sup>58</sup> *Id.* at 57 (emphasis added).



As discussed previously, each use is evaluated on a case-by-case basis, and each search must be reasonable for the individual case and circumstances. A good faith diligent search for the copyright owner of a book or a play may require a user to search Copyright Office online records, perform an extensive online search through an internet search engine, and contact and search various libraries and/or archives. A good faith diligent search for the copyright owner of a musical composition may include a search of the Copyright Office's online records, contacting ASCAP, BMI, Harry Fox, or one of the other musical rights organizations, and an extensive Internet search engine search. A good faith diligent search for the copyright owner of a piece of urban art (think the art of the artist Banksy<sup>59</sup> or other graffiti artists) may be very different; a search for this type of work may include a search of the Copyright Office online records, a search of various webpages dedicated to urban art,<sup>60</sup> contacting various art galleries and art schools near the location of the piece of art, possibly contacting local police to inquire if they know the artist's name and location, and possibly even asking people near the location of the art piece if they can identify the artist.

This last example may seem extreme, but the recommendations are clear that each case is unique and that in some cases more "out of the box" methods may be required. A lack of identifying information for the copyright owner might be persuasive in limiting a user's search, but it is not determinative. The 2015 Report notes that:

[A] search of Copyright Office records is only necessary if sufficient identifying information already exists on which to base the search. Users, however, cannot rely solely on a lack of identifying information; instead the user must undertake the most comprehensive search possible in light of limited information, because a lack of identifying

<sup>59</sup> BANKSY, <http://banksy.co.uk> (last visited May 14, 2016); *Banksy – 209 Artworks, Prints for Sale, Bio & More*, ARTSY, <https://www.artsy.net/artist/banksy> (last visited May 14, 2016).

<sup>60</sup> *Art Crimes: The Writing on the Wall*, GRAFFITI ART WORLDWIDE, <http://www.graffiti.org> (last visited May 14, 2016); Vitaly Friedman, *Tribute To Graffiti: 50 Beautiful Graffiti Artworks*, SMASHING MAG. (Sep. 14, 2008), <https://www.smashingmagazine.com/2008/09/tribute-to-graffiti-50-beautiful-graffiti-artworks>.

information does not excuse a user from conducting any searches.<sup>61</sup>

Therefore, as urban artists often use a nom de guerre when signing their works, a user might be required to turn to unconventional sources to identify the copyright owner, as discussed above.

The “reasonableness” of a search is extremely important, and each search is a case unto itself. The Copyright Office went further in emphasizing the important nature of searches by stating that the proposed legislation includes the requirement that users take “any other actions that are reasonably likely to be useful in identifying and locating the copyright owner.”<sup>62</sup> The Report goes on to state that a search depends upon the facts that the user possesses and that the search could be required to adapt, change, and expand during the course of the search.<sup>63</sup> A user also cannot assume that a search will be without charge. The 2015 Report specifically notes that good faith diligent searches may require the use of paid search websites or other types of paid searches.<sup>64</sup>

To further clarify what constitutes a good faith diligent search, the 2015 Report recommends that legislation include language that would “[r]equire the Copyright Office to maintain and update Recommended Practices for diligent searches for various categories of works, through public consultation with interested stakeholders.”<sup>65</sup> Furthermore, a search would only qualify as a good faith diligent search if the user makes the diligent search to locate the copyright owner prior to the use of the work and “at a time reasonably proximate to” the beginning of the use.<sup>66</sup> These qualifications, however, also require definition. Does prior to the beginning of the use mean prior to publication or prior to completing a derivative work that encompasses the orphan work, or does it mean prior to any use whatsoever? By extension, how close does “reasonably proximate” have to be prior to use? The 2015 Report does not address these questions.

A user may reasonably conclude that because of the nature of the orphan works case-by-case approach, each instance of “prior to

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<sup>61</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 57.

<sup>62</sup> *Id.*

<sup>63</sup> *Id.* at 58.

<sup>64</sup> *Id.*

<sup>65</sup> *Id.* at 4.

<sup>66</sup> *Id.* at 56.

use” and “reasonably proximate” could be different. But if this is the case, then the user is provided no direction by the Copyright Office as to what steps must be taken, and when, in order to qualify for the orphan works limitation on liability. A user may perform an extensive good faith diligent search before making any use of an orphan work but the search may or may not be “reasonably proximate” to the use depending upon the interpretation of “reasonably proximate” by a court. Providing a definition of when use begins for orphan works purposes and setting a definitive time period as being “reasonably proximate” to use would provide both the copyright owner and user important information for determining if a use would fall under an orphan works limitation on liability.

*b. Foreign Searches*

The global nature of copyright issues did not escape the Copyright Office when preparing the 2015 Report and proposed orphan work legislation. In the 2015 Report, two questions arose regarding foreign searches: 1) what if a work is determined to be an orphan work in a foreign jurisdiction and the user from the foreign jurisdiction wants to use the work in the U.S.; and 2) what weight, if any, should a foreign diligent search be given by U.S. courts when determining if a search was diligent?<sup>67</sup> In recognition of the global nature of copyright and the expansion of orphan works legislation around the world, the Copyright Office included specific provisions for addressing diligent searches made under foreign copyright law. The Copyright Office proposes that a U.S. court be given leeway to review and accept a qualifying diligent search conducted under the orphan works legislation of a foreign jurisdiction as part of a diligent search in the United States, on the condition that the foreign jurisdiction also accepts qualifying U.S. diligent searches.<sup>68</sup>

The answer to question number one was relatively straightforward. The Copyright Office proposes that a user, whether the same foreign jurisdiction user or a different user, would still be required to perform a diligent search in the U.S., just like any other user. This is a new approach for the Copyright Office. In previous reports, the Copyright Office had not recommended the acceptance of

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<sup>67</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 58.

<sup>68</sup> *Id.* at 59.

foreign jurisdiction diligent searches. However, the Copyright Office made a 180° turn in the most recent report. The 2015 Report cites the orphan works laws of Canada, Hungary, and the United Kingdom as examples of foreign jurisdictions that require diligent searches of orphan works.<sup>69</sup> The Copyright Office contends that diligent searches from these foreign jurisdictions should be accepted because the orphan works laws in each country require government approval of a search for it to be deemed diligent and government approval to be given to use the work as an orphan work.<sup>70</sup> The Copyright Office posits that allowing U.S. courts to accept diligent searches from foreign jurisdictions as probative of a diligent search in the United States will open the door to foreign jurisdictions allowing United States diligent searches the same evidentiary weight in their jurisdictions.<sup>71</sup> The Copyright Office, however, is clear that a diligent search in a foreign jurisdiction is not a replacement for a diligent search in the U.S. but is a potentially important supplement to a diligent search in the United States. A diligent search in the United States would still require a search of Copyright Office records as well as other qualifying searches, but a qualified foreign search could be presented as part of the diligent search in the United States if a copyright owner were to challenge a user on the basis of an insufficient diligent search.

*c. Searches for Visual Works*

The issue of searches for visual works is of particular concern for copyright owners due to the present technological limitations on searching images compared to searching text. A text search is able to be performed on numerous Internet search engines simply by entering a portion of the text of the work into the search bar. However, at this point in time, there is no such search available to the average person for visual works. There is no way to do an Internet search by dropping a JPEG of a photograph or a MP4 of a video into an internet search engine, which puts potential users of orphan visual works at a disadvantage compared to users of text works when performing diligent searches.

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<sup>69</sup> *Id.* at 58.

<sup>70</sup> *Id.* at 58.

<sup>71</sup> *Id.* at 59.

The issue of searches for visual works was acknowledged and addressed in the 2015 Report.<sup>72</sup> The Copyright Office contends in the Report that the use of third-party registries for visual works alleviates the search concern for users of visual orphan works by providing cataloged sites on which copyright owners can register their works.<sup>73</sup> The Report makes particular note of the Picture Licensing Universal System (PLUS)<sup>74</sup> as an important third-party registry where copyright owners may register their works and where users may perform searches.<sup>75</sup> The Copyright Office acknowledges that searching PLUS alone would not be a diligent search, but a search of PLUS in conjunction with other searches could constitute a diligent search.<sup>76</sup>

The problem with the Copyright Office's third-party registry suggestion is that it makes a number of assumptions that do not hold up under closer inspection. The Report makes the assumption that copyright owners will register their works with third-party registries.<sup>77</sup> However, the Copyright Office acknowledges that third-party registries, such as PLUS, are geared towards professional artists and not all photographers.<sup>78</sup> Therefore, this immediately excludes a large portion of photographs and copyright owners.<sup>79</sup> The exclusion of this large segment of copyright owners seems to be counter to the Copyright Office's stated purpose of bringing users and copyright owners together.<sup>80</sup>

The Copyright Office also puts forth that third-party registries will proliferate as more artists register their works.<sup>81</sup> The Copyright Office, however, provides little proof of this claim beyond the wording "We believe . . . ."<sup>82</sup> This is an important assumption because if it is incorrect that third-party registries do not proliferate and that visual artists do not register their works with third-party registries, then what

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<sup>72</sup> *Id.* at 51–54.

<sup>73</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 52.

<sup>74</sup> *Id.* at 48–49; *see also* PLUS REGISTRY, [www.plusregistry.org](http://www.plusregistry.org) (last visited May 14, 2016).

<sup>75</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 49, 52–53, 60.

<sup>76</sup> *Id.* at 53, 60.

<sup>77</sup> *Id.* at 53.

<sup>78</sup> *See id.* at 52.

<sup>79</sup> *See id.*

<sup>80</sup> *Id.* at 1.

<sup>81</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 53.

<sup>82</sup> *Id.*

diligent search options are available to users? The Report provides no clear alternative to where users may search.

For the sake of argument, assume *arguendo* that at least professional artists will register their works at increased rates. Then, the questions become about cost and accessibility. Will third-party registries be free to copyright owners and users, or will there be charges involved for copyright owners to upload visual works and for users to perform searches? The more charges involved in the deposit of works or in the search of works, the less likely copyright owners and users will participate in third-party registries. At this point, PLUS does not charge for basic membership and searches, which is a benefit to expanded use by both copyright owners and users.

PLUS, like most other third-party registries, as of this writing, does not have a search engine for images.<sup>83</sup> Searches are restricted to textual search terms, which raises the issue of a user's ability to search through thousands, millions, or potentially billions of images. As discussed above, there was an estimated one trillion photographs taken worldwide in 2015.<sup>84</sup> If one percent of those photographs was posted to PLUS or another third party registry, they would constitute ten billion photos for just 2015, let alone all of the photographs taken since the invention of photography.<sup>85</sup> It is extremely unlikely that with only a text-based search that a user will be able to diligently search through the 2015 photographs, let alone the billions of photos taken in previous years.

The problem with the assumptions by the Copyright Office regarding third-party registries is just that: they are assumptions. The Copyright Office is assuming that a searchable database for visual works that will allow copyright owners and users to connect and that is simple, user-friendly, and inexpensive will be available sooner rather than later. While this assumption might be reasonable based on the rate at which technology advances, it is by no means guaranteed.<sup>86</sup> Without

<sup>83</sup> See PLUS REGISTRY, [www.plusregistry.org](http://www.plusregistry.org) (last visited May 14, 2016).

<sup>84</sup> See Schneider, *supra* note 9.

<sup>85</sup> See Philip Greenspun, *History of Photography Timeline*, PHOTO.NET (Jan. 2007), <http://photo.net/history/timeline>; Vsauce, *How Many Photos Have Been Taken?*, YOUTUBE (Nov. 10, 2012), [https://www.youtube.com/watch?v=4e\\_kz79tjb8&feature=youtu.be](https://www.youtube.com/watch?v=4e_kz79tjb8&feature=youtu.be). The first permanent photographic image was taken in 1826, and the first photograph uploaded to the worldwide web was in 1992. *Id.*

<sup>86</sup> The author is still waiting for consumer-friendly flying cars, jetpacks, and real hoverboards.

sufficient technology to adequately sift through the billions of photographs produced each year, a user of a visual work would be at a significant disadvantage conducting a diligent search as opposed to users of written material using basic text internet search engines or even users of sound recordings using relatively new sound recording identification software through free third-party search services such as Shazam<sup>87</sup> and SoundHound.<sup>88</sup> Therefore, the Copyright Office should not assume a technological solution will be developed to address the area of copyright that has seen the greatest increase in content creation. Reasonable diligent search parameters should be set forth by the Copyright Office for each type of copyrightable work. These search parameters should take into consideration the technological hurdles confronting the average user when performing a good faith diligent search.

*d. How “Diligent” Should A Diligent Search Be?*

The good faith diligent search requirements set forth by the Copyright Office are not universally endorsed. The matter of what constitutes a diligent search and how a diligent search should be defined has been addressed and pondered by many individuals and groups.<sup>89</sup> The diligent search issue boils down to how far will and should a user go in his search for the copyright owner of a work and how comprehensive should a diligent search be required to be?

As discussed above, the Copyright Office’s standard for a diligent search fluctuates on a case-by-case basis<sup>90</sup>, but overall, the recommended diligent search standards are to be set at a relatively high level.<sup>91</sup> Under the Copyright Office’s proposed legislation, the time and cost to a user may not be insignificant in order to reach the level of a diligent search for purposes of orphan works limitation on liability.<sup>92</sup> The Center for the Study of the Public Domain at Duke University Law School (Duke) argues that a diligent search should not be as exhaustive

<sup>87</sup> SHAZAM, <http://www.shazam.com> (last visited May 14, 2016).

<sup>88</sup> SOUNDHOUND, <http://www.soundhound.com/soundhound> (last visited May 14, 2016).

<sup>89</sup> See generally ORPHAN WORKS ANALYSIS AND PROPOSAL, *supra* note 4; Jane C.

Ginsburg, *Recent Developments in US Copyright Law: Part I - ‘Orphan’ Works* (Columbia Pub. Law Research Paper No. 08-183, (Oct. 2008), <http://ssrn.com/abstract=1263361>).

<sup>90</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 72.

<sup>91</sup> *Id.* at 57–58.

<sup>92</sup> See *id.*

as the Copyright Office proposes.<sup>93</sup> In its proposal on orphan works submitted to the Copyright Office, Duke takes the position that search requirements for orphan works should be less stringent due to an increased difficulty of performing a reasonable search.<sup>94</sup> Duke postulates that modern technology is actually making the search process more difficult instead of easier.<sup>95</sup> The thought is that because of worldwide distribution channels, the ever increasing number of distribution formats, both physical and digital, and the ever increasing amount of content created, locating a specific copyright owner of a specific work is not tantamount to finding a needle in a haystack but rather more like finding a particular needle in a needle stack.<sup>96</sup> Basically, Duke proposes that it is often a near impossibility to identify and locate a copyright owner, especially if the search is done in an economical fashion.<sup>97</sup>

Duke then addresses the economic reality of the cost of doing a reasonable search. Search costs are addressed on a dual front. First, Duke argues that the economic reality of an orphan works search is that if the search costs are too high, or just perceived to be too high prior to attempting a search, the user will choose to abandon the search instead of spending the money.<sup>98</sup> The key, in this situation, is finding the economic tipping point. Duke reasons that lower search requirements will effectuate lower search costs, which would encourage more searches to occur and more copyright owners to be united with users.<sup>99</sup>

Duke also proposes that searches should be tiered depending upon the use of the orphan work as opposed to uniform search requirements.<sup>100</sup> The proposition is that since not all licensing fees are the same and fluctuate greatly depending upon the use, likewise, so should the extent and cost of a qualifying search.<sup>101</sup> Duke proposes that uses should be divided into different categories requiring different levels of searches.<sup>102</sup> A higher level of search would be required for higher level commercial enterprises, while a lower level search would

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<sup>93</sup> ORPHAN WORKS ANALYSIS AND PROPOSAL, *supra* note 4, at 4–5.

<sup>94</sup> *Id.* at 3.

<sup>95</sup> *Id.* at 3, 5.

<sup>96</sup> *See id.* at 4.

<sup>97</sup> *Id.* at 4–5.

<sup>98</sup> *Id.* at 4–5.

<sup>99</sup> ORPHAN WORKS ANALYSIS AND PROPOSAL, *supra* note 4, at 4.

<sup>100</sup> *Id.* at 4–5.

<sup>101</sup> *Id.*

<sup>102</sup> *Id.* at 5



be required for economically minor uses, and virtually no search would be required of a nonprofit entity such as a library, the provision of notice being the primary requirement for nonprofits.<sup>103</sup>

The Duke proposal, while important to take into consideration, may not afford copyright owners a sufficient level of protection. A copyright owner's rights must be balanced with the desire to afford users greater latitude in the use of works whose owners are not readily identifiable and/or locatable. The Duke proposal, however, also focuses on another important aspect of proposed orphan works legislation: notice of use.<sup>104</sup>

## 2. Notice

The second step in the orphan works limitation on liability pursuit is more straightforward than the good faith diligent search. The user must provide notice to the Copyright Office of the user's intention to use the orphan work.<sup>105</sup> This notice would be provided to a new Copyright Office registry that would maintain and archive orphan works Notice of Use filings.<sup>106</sup> These new filings would be required to include:

- (1) the type of work used (under 17 U.S.C. § 102(a));
- (2) a description of the work; (3) a summary of the qualifying search conducted; (4) any other identifying indicia available to the user; (5) the source of the work (*e.g.*, library or website where work was located, publication where work originally appeared); (6) a certification that the user performed a qualifying search; and (7) the name of the user and a description of how the work will be used.<sup>107</sup>

Beyond these notice requirements, the user would also be required to provide attribution to the author and copyright owner of the work whenever possible.<sup>108</sup>

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<sup>103</sup> *Id.*

<sup>104</sup> *Id.* at 6, 8.

<sup>105</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 60.

<sup>106</sup> *Id.*

<sup>107</sup> *Id.* at 60–61.

<sup>108</sup> *Id.* at 4, 11.

It should be noted that the notice requirements only require a description of the work being used and do not require a submission of the work being used.<sup>109</sup> A submission of a copy of the actual work that the user is utilizing along with a description of the work might be more beneficial to a copyright owner searching the orphan works Notice of Use archive. This would allow copyright owners to make a quick determination whether or not the work that the user has provided notice for is that copyright owner's work. This would be an important search element to all manners of work. Written works could be easily searched for by copyright owners through a simple search of the database using a sentence or two of the copyright owner's work, much like is used by an Internet search engine. A submission of a copy of the work being utilized by the user may be even more important to the identification of visual works by copyright owners. A description of a work, as required in the proposed Notice of Use filing, is probably not sufficient for copyright owners to conclusively identify their visual works being used under a Notice of Use. This is due to the multitude of ways that a user may choose to describe a visual work of art.

As an example, let us hypothesize that the Mona Lisa<sup>110</sup> is still under copyright in the United States and is an orphan work of which a user wishes to make use. How may the user describe the work? A portrait of a woman dressed in dark colors. A painting of a woman set against a dark mountainous or hilly background. A portrait painting of a woman with dark hair, dressed in period clothing. A woman painted with a slight smile and wavy hair.

The Mona Lisa, arguably one of the most famous paintings in the world, could be described in a Notice of Use potentially hundreds of ways both brief and expansive. The problem is that any other number of paintings could be described in similar manners with those descriptions being just as accurate. Therefore, the work described in the Notice of Use could be numerous different paintings. Without the submission of a copy of the orphan work along with the description of the work, it would be unlikely or impossible that a copyright owner could identify a work by description alone. This would, more likely than not, be antithetical to the intent of the proposed orphan works legislation, which is to bring together users and copyright owners.

<sup>109</sup> See *id.* at 60–61.

<sup>110</sup> LEONARDO DA VINCI, *Mona Lisa—Portrait of Lisa Gherardini, wife of Francesco del Giocondo*, LOUVRE <http://www.louvre.fr/en/oeuvre-notices/mona-lisa-portrait-lisa-gherardini-wife-francesco-del-giocondo> (last visited May 14, 2016).

The 2015 Report emphasizes the importance of filing notice with the Copyright Office. The essential part of the notice is that the Notice of Use filings will be maintained and archived in a database that may be searched by copyright owners in order to bring users and copyright owners together.<sup>111</sup> However, nowhere in the 2015 Report does the Copyright Office indicate two essential parts to the Notice of Use filing and searchable orphan works archive: 1) what, if anything, will a Notice of Use cost to file with the Copyright Office?; and 2) what, if anything, will copyright owners be charged to access and search the orphan works notice of use archive?

These questions are potentially as important as any other question surrounding proposed orphan works legislation. Users will, more likely than not, think with their wallets first when considering moving forward with filing a Notice of Use. If the cost of filing a Notice of Use, or possibly multiple Notices of Use for multiple orphan works, is excessive or only slightly out of line with other copyright charges, a user may forgo the process and roll the dice on a fair use claim, or other defense, if the copyright owner ever happened upon the infringing use. A similar situation may also arise for copyright owners if there is a charge, large or small, for access to the orphan works archive. A copyright owner may choose to forgo spending the money on searching the orphan works archive on the outside chance that one of the copyright owner's works might show up in the archive, especially if the amount of the reasonable license fee that the copyright owner may receive from the user is not higher than the cost to access the archive.

If the Copyright Office does charge a fee to file the Notice of Use and also charges a fee to the copyright owner to search the orphan works archive, it should first do a cost-benefit analysis to determine the tipping point at which users and copyright owners will be willing to participate. The Copyright Office's goal in any orphan works legislation is to bring orphan works owners and user together.<sup>112</sup> This goal could potentially be frustrated if the price points associated with notice of use filings and copyright owner searches make it unappealing and/or not cost effective to the intended copyright owners and users.

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<sup>111</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6.

<sup>112</sup> *Id.*

### 3. *Claim of Infringement*

Once users have performed a good faith diligent search and filed a Notice of Use with the Copyright Office, their paths are not yet complete to reach the orphan works limitation on liability. The next step would come upon a receipt of a Notice of Claim of Infringement, which would bring about the requirement that the copyright owner and the user negotiate reasonable compensation for the use of the work.<sup>113</sup> The 2015 Report notes that “[w]here a user satisfies the eligibility requirements of the orphan works legislation, monetary relief is limited to ‘reasonable compensation.’”<sup>114</sup> Reasonable compensation would not include actual damages, statutory damages, costs, and attorneys’ fees.<sup>115</sup> The Copyright Office proposes that the exclusion of costs and attorneys’ fees from orphan works settlements is justified due to the elimination of litigation.<sup>116</sup> However, this proposition might be an oversimplification.

#### *a. Elimination of Damages, Costs, and Attorneys’ Fees*

Section 505 of the 1976 Copyright Act states:

In any civil action under this title, the court in its discretion may allow the recovery of full costs by or against any party other than the United States or an officer thereof. Except as otherwise provided by this title, the court may also award a reasonable attorney's fee to the prevailing party as part of the costs.<sup>117</sup>

Presently, attorneys’ fees are not available to plaintiffs in copyright infringement cases where the infringement occurs prior to the registration of the infringed work with the Copyright Office.<sup>118</sup> The elimination of attorneys’ fees under the proposed orphan works legislation appears to presuppose that copyright owners will handle claims of infringement themselves and forgo hiring an attorney. The

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<sup>113</sup> *Id.* at 63.

<sup>114</sup> *Id.*

<sup>115</sup> *Id.*

<sup>116</sup> *Id.*

<sup>117</sup> 17 U.S.C. § 505 (2012).

<sup>118</sup> 17 U.S.C. § 412 (2012).

Copyright Office postulates that the costs of litigation will be avoided due to the requirement to negotiate reasonable compensation under the proposed orphan works legislation.<sup>119</sup> This avoidance of litigation will therefore remove the need for costs and attorneys' fees.<sup>120</sup> However, this hypothesis does not take into account multiple instances, referenced in the 2015 Report, of courts addressing orphan works issues, including the determination of reasonable compensation. Copyright owners could realistically still end up in court paying attorneys' fees and costs, but the proceeding would be an orphan works proceeding, so no attorneys' fees or costs would be available.

The elimination of attorneys' fees and costs from orphan works cases could remove a key incentive for copyright owners to register their works with the Copyright Office upon creation, instead of after an infringement occurs. If the resulting reasonable compensation from claims of infringement under the orphan works designation is the same for registered and unregistered works, then this may de-incentivize copyright owners from spending the extra money to register their works.

The Copyright Office identified the potential for this situation, at least in part. The proposed orphan works legislation allows for "courts, when determining reasonable compensation, to take into account the value, if any, added to a work by virtue of its registration with the Copyright Office."<sup>121</sup> The reasoning behind this is that there may be instances in which certain types of registered works, such as instrumental sound recordings or works of visual art, are missed in a search of the Copyright Office records due to lack of textual search terms.<sup>122</sup> A court could then impose a portion of the otherwise applicable non-orphan works infringement damages on the user even if the search was properly performed and the work was not locatable.<sup>123</sup> The Copyright Office believes that this is an important exception in order to encourage copyright registration and to reward owners that register their copyrights.<sup>124</sup> However, the proposed orphan works legislation does not allow for the imposition of court costs or attorneys' fees.

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<sup>119</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 63.

<sup>120</sup> *Id.*

<sup>121</sup> *Id.* at 66.

<sup>122</sup> *Id.*

<sup>123</sup> *Id.*

<sup>124</sup> *Id.*

The continued exclusion of costs and attorneys' fees in this situation could be a significant barrier to the copyright owner seeking redress from a court. Alternatively, it could potentially cause a court to increase the added value to the work in order to offset the costs and attorneys' fees required to bring the action. The significant barrier to the copyright owner bringing a case in this situation is that potential costs and attorneys' fees may cost far more money than the copyright owner plaintiff could hope to recover, even with an added value increase in judgment from the court. A copyright owner plaintiff could roll the dice and bring an action, hoping that the court will provide added value to the work in an amount large enough to cover costs and attorneys' fees, but this is a significant gamble. This situation also creates uncertainty in the judicial system as to when and in what amount added value determinations should be made, which is not beneficial to the copyright owner, the user, or the courts. Therefore, costs and attorneys' fees should be allowed in infringement claims under the orphan works legislation dealing with registered works. The alternative is inequitable and unfair to registered copyright owners and has the potential of creating uncertainty for qualified users, which is what orphan works legislation is attempting to avoid.

*b. Reasonable Compensation*

The implementation of reasonable compensation under the proposed orphan works legislation would act as a replacement for traditional damages for infringement of both registered and unregistered works. The 2015 Report notes that in the majority of cases reasonable compensation will be the same or substantially similar to what a reasonable license fee would have been for the use of the work.<sup>125</sup> The Copyright Office cites the case of *Davis v. The Gap, Inc.*,<sup>126</sup> noting that this case specifically addresses the "reasonable license fee" formula as being "appropriate in situations where users have sought to find the owner through a good faith diligent search."<sup>127</sup> *Davis* also sets forth the principle that the burden of establishing a fair market value for the use of the work is to be borne by the copyright owner.<sup>128</sup>

<sup>125</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 63.

<sup>126</sup> *Id.* at 63–64 (discussing *Davis v. Gap, Inc.*, 246 F.3d 152 (2d Cir. 2001)).

<sup>127</sup> *Id.* at 63.

<sup>128</sup> *Id.* at 64.

The 2015 Report further notes that “reasonable compensation” is the fair market valuation of a work “immediately” prior to the infringement occurring.<sup>129</sup> This burden of establishing an ex ante fair market value for a work, based on the market immediately prior to the use of the work, is not necessarily a readily accomplishable goal. The establishment of a baseline fair market value for a specific work at a specific moment in time, possibly years prior, could present the copyright owner with a situation that is not tenable or cost effective. The court in *Davis* determined, as noted by the Copyright Office, that it fell to the copyright owner to prove that similarly situated copyright owners licensed similarly situated works for similar licensing fees.<sup>130</sup>

This presents the copyright owner with a significant hurdle to overcome when attempting to recover reasonable compensation from the user. The copyright owner may have no baseline for what other similarly situated works may have been licensed for at the time immediately prior to the use. The copyright owner could be required to pay fees to third-party experts to obtain a fair market analysis that would determine what constitutes reasonable compensation. The fees paid to third-party experts may exceed the determined amount of reasonable compensation. Thus, the payment of fees to third parties for valuation analysis could cause the copyright owner to take a financial loss when seeking redress for copyright infringement under orphan works legislation.

The potential for this scenario is acknowledged in the 2015 Report and alterations to strict fair market value evaluation are addressed. The Copyright Office states that reasonable compensation should include a percentage-based royalty as well as a one-time, fixed sum in order to avoid a user reaping an unfair windfall if the use of the work is a commercial success.<sup>131</sup> The Copyright Office, however, provides almost no guidance on how a percentage-based royalty might be applied or when it would be appropriate to be applied, with the exception of stating that a court may determine that a percentage-based royalty could constitute a form of reasonable compensation in the case of the ongoing use of the work in a user’s derivative work.<sup>132</sup>

The problem with this scenario is two-fold: 1) it does not address the copyright owner’s attorneys’ fees, as discussed above, and

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<sup>129</sup> *Id.*

<sup>130</sup> *Id.*

<sup>131</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 64.

<sup>132</sup> *Id.* at 67.

the cost issues of determining the fair market value immediately prior to initial use and determining a royalty percentage basis; and 2) it creates a stronger bargaining position for the user.

This situation has the potential to shift significant costs onto the copyright owner. This is particularly true in the case of copyright owners with registered works, as discussed above regarding attorneys' fees. The Copyright Office does not address the costs to the copyright owner in providing proof of what reasonable compensation would be, let alone what the costs to the copyright owner to determine what a fair percentage-based royalty rate might be. Although, the Copyright Office does tip its hand slightly toward copyright owners who register their works when it made the assumption that "an owner who registers his or her works likely has more interest in its exploitation."<sup>133</sup> However, at no place in the 1976 Copyright Act is an interest in exploiting a work mentioned or cited as being determinative in a copyright owner being compensated for the use of a work. The Copyright Office simply cites *Davis* and then moves forward under the assumption that all costs of determining reasonable compensation for the use of a work are to be borne by the copyright owner.

The second issue in this matter, the stronger bargaining position of the user, is created when the user of a relatively or completely unknown work, which would probably include the majority of orphan works (otherwise they would not be orphaned), negotiates a relatively low reasonable compensation for the use of the work with the copyright owner based on the fair market value of the work immediately prior to the time of initial use. A relatively low reasonable compensation can be assumed by the fact that the work was little known or unknown at the time of initial use, as opposed to a work by a famous artist such as Roy Lichtenstein,<sup>134</sup> Bob Dylan,<sup>135</sup> or Dan Brown.<sup>136</sup>

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<sup>133</sup> *Id.* at 66–67.

<sup>134</sup> See *Roy Lichtenstein: American Artist and Sculptor*, THE ART STORY.ORG, <http://www.theartstory.org/artist-lichtenstein-roy.htm> (last visited May 14, 2016); *Roy Lichtenstein*, MOMA.ORG, <http://www.moma.org/collection/artists/3542> (last visited May 14, 2016).

<sup>135</sup> BOB DYLAN, <http://bobdylan.com> (last visited May 14, 2016); *Bob Dylan: biography*, BIO.COM, <http://www.biography.com/people/bob-dylan-9283052> (last visited May 14, 2016).

<sup>136</sup> DAN BROWN, <http://www.danbrown.com> (last visited May 14, 2016); *Dan Brown*, IMDB.COM, <http://www.imdb.com/name/nm1467010/> (last visited May 14, 2016).



The user then has the upper hand in negotiation of future uses of the work, if any. The user could simply cease using the work, pay the relatively low reasonable compensation, and make the argument that any royalty-based payments should be extremely low based on the perceived value and bargaining power of the copyright owner immediately prior to initial use. This argument could be expanded to include the exclusion of any type of royalty fee due to industry standards at the time immediately prior to initial use of the work and/or the existence of other non-royalty-based license agreements contemporaneous with the time immediately preceding the initial use. These situations would potentially allow the user to walk away having reaped the windfall of the use without bearing any of the costs required of the copyright holder to prove the value of the work immediately prior to use, while paying a small amount in reasonable compensation and possibly no royalty.

As noted previously, the professed intention of orphan works legislation is to bring copyright owners and users together. The Copyright Office also contends that orphan work legislation would economically benefit copyright owners and users through the streamlining of the system to provide more access to works to be used. However, the shouldering of the costs by the copyright owner to prove the worth of a work immediately prior to the work's use by the user, along with the potential for the reasonable compensation for the use of the work to be relatively low, could be a deterrent rather than an incentive.

If a copyright owner must bear the uncertainty of the costs required to make a determination of the value of his or her work with the possibility that he or she could end up out-of-pocket hundreds or thousands of dollars, then what is the incentive for the copyright owner to value or participate in the orphan works system? A savvy user could refuse to pay the copyright owner reasonable compensation without first being provided with at least three estimates of valuation from accredited experts in copyright valuation in the relevant subset works (books, painting, photographs, musical compositions, etc.). This stance of the user would be based on the proposition set forth by the Copyright Office that the cost of proving reasonable compensation is borne by the copyright owner.

The copyright owner would then be required to pay hundreds or thousands of dollars for expert copyright valuations in order to prove the value of the work immediately prior to the use. With no potential

for cost shifting to the user, the copyright owner may determine that the cost of copyright valuation outweighs the benefit of reasonable compensation. This would then lead to the user receiving the “unfair windfall”<sup>137</sup> that the Copyright Office is seeking to avoid. Furthermore, the copyright owner, due to financial hardship, may not be able to hire experts to provide a copyright valuation to the user. In this situation, the user would again be receiving an “unfair windfall”<sup>138</sup> and disadvantaging a party already experiencing financial difficulties through being denied the reasonable compensation due to her for the use of the work.

A reasonable solution to the costs and attorneys’ fees issues would be, at a minimum, to allow the recovery of costs and attorneys’ fees for registered copyrights. This would maintain the status quo in providing incentives to copyright owners to register their works. A better solution for all works under the orphan works system would be to allow the court to award recovery of costs and attorneys’ fees if no reasonable compensation is agreed upon through good faith negotiation within a set amount of time determined by the Copyright Office. This would incentivize the copyright owner and the user to work together to resolve the matter in a timely fashion. It would also encourage the copyright owner and the user to be economical and reasonable in their respective demands for reasonable compensation and proof of valuation, as the costs of unreasonable demands and/or requirements could end up being borne by the demanding party. The potential for both the copyright owner and the user to bear the costs and attorneys’ fees of the other is a possibly strong incentive to come to a mutually agreeable, reasonable compensation.

### *c. Injunctive Relief*

Injunctive relief is a mainstay of copyright remedies.<sup>139</sup> It allows copyright owners to control their copyrights and affords them a form of relief when monetary damages are curtailed or unavailable. However, injunctive relief under the proposed orphan works legislation, while technically still available, could be curtailed for most copyright owners and unavailable to other copyright owners when the

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<sup>137</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 64.

<sup>138</sup> *Id.*

<sup>139</sup> 17 U.S.C. § 502 (2012).

user has complied with the proposed search and notice of use requirements.

The 2015 Report proposes that courts restrain the use of injunctive relief in cases where the user has gone through the proper search and notice of use requirements proscribed in the orphan works legislation.<sup>140</sup> The Copyright Office proposes that a court “should account for the harm caused by users’ reliance on the orphan works provision.”<sup>141</sup> Essentially, it is proposed that if a user establishes the minimum steps to be in compliance with the search and notice requirements of the orphan works legislation, the court should provide certain leeway for the user. An example of this is that a court may enjoin a user from “further printing or publication of copies of an orphan work, but permit the retail sale of existing copies.”<sup>142</sup> Thus, the user would reap the benefit of following the orphan works search and notice of use requirements and be able to profit from the orphan work, while the copyright owner would be able to stop any further use of the work in the creation of new products and receive reasonable compensation, as discussed above, for the use of the work in the existing products. On the surface this arrangement appears to be relatively fair and equitable to both the copyright owner and the user. However, it is when one begins to dig down and take deeper considerations into account that this injunctive relief proposal becomes concerning to copyright owners.

The two main areas of concern addressed in the 2015 Report and provided for specifically in the proposed orphan works legislation are the role of injunctive relief in cases involving derivative works and in cases of derivative works involving an author’s honor and reputation. These two areas for potential injunctive relief are addressed very differently in the 2015 Report than in the legislation.

In the matter of derivative works, the Copyright Office endorses a position favorable to the user. The Copyright Office proposes that “a user may, upon paying a reasonable compensation to the owner of the work in a reasonably timely manner and providing attribution (where requested), avoid an injunction and continue to prepare and use the new work.”<sup>143</sup> The reasoning behind this position is that the user, having fulfilled the search and notice requirements, would

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<sup>140</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 67.

<sup>141</sup> *Id.*

<sup>142</sup> *Id.*

<sup>143</sup> *Id.*

have a good faith basis for moving forward to create a new derivative work that would effectively entangle the orphan work with the user's new creative content in a manner that would mean irreparable damage to the user's new derivative work if injunctive relief were allowed.<sup>144</sup> The Copyright Office further notes that the restriction on injunctive relief for derivative works runs for the life of the orphan works copyright, which would allow the user to use the derivative work without restriction, regardless of objections from the orphan work's owner. This would also allow for full copyright protection for the derivative work.<sup>145</sup>

This proposal for limitations on injunctive relief did not go uncontested. The Copyright Office noted that these limitations were concerning to some and that this was a substantial exit from a traditional tenant of copyright law: the copyright owner's exclusive right to control.<sup>146</sup> In the matter of injunctive relief for derivative works, the 2015 Report specifically noted a differentiation between a concern for copyright owners and authors. The Copyright Office sets forth the proposition that when the copyright owner is also the author of the work, a higher risk of damage to the author is present through potential harm to honor and/or reputation.<sup>147</sup> Therefore, the Copyright Office created a special proviso in the proposed orphan works legislation specifically for author-owners of copyrights. This provision allows for injunctive relief for an orphan work derivative work "only if the continued preparation or use of the new work would be prejudicial to the author-owner's honor or reputation, and a Court finds that such harm cannot be cured through reasonable compensation."<sup>148</sup> This means that in order to take advantage of injunctive relief in a derivative work situation, the court must determine that: 1) the copyright owner is also an author of the orphan work; 2) the copyright owner-author has suffered some form of harm to his/her honor and/or reputation; and 3) the harm suffered by the copyright owner-author cannot be reasonably compensated monetarily.

This provision for injunctive relief is an important exception to the proposed limitations on injunctive relief for derivatives works in

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<sup>144</sup> *Id.*

<sup>145</sup> *Id.* at 67–68.

<sup>146</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 68 n.281. *See also* Ginsburg, *supra* note 89, <http://ssrn.com/abstract=1263361>.

<sup>147</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 68.

<sup>148</sup> *Id.*

orphan works. Unfortunately, this exception is also too narrowly drafted. The requirement that this exception only apply to copyright owner-authors puts non-author copyright owners at a distinct disadvantage in the control of their works, especially when considering the potential damage to a copyright owner through forced association with an unsavory or damaging user. As an example, what if an author gifted or willed her copyrights to the Simon Wiesenthal Center<sup>149</sup> or her synagogue and one of the works was then used as an orphan work to create a derivative work glorifying the holocaust or advocating for the American Nazi Party?<sup>150</sup> Or, what if the Gordon Parks Foundation<sup>151</sup> found that a photograph taken by Mr. Parks and the copyright held by the Gordon Parks Foundation was listed in the orphan works archive by a user who had satisfied the search and notice requirements and was using the photo in a derivative work that advocated for the Ku Klux Klan?<sup>152</sup> Should these non-author copyright owners not be entitled to injunctive relief? Are the associations created by the derivative uses not potentially harmful to the name and reputation of the non-author copyright owners in a manner not rectifiable through monetary compensation?

Limitations on injunctive relief under the proposed orphan works legislation are an important piece to furthering the purpose of the proposed legislation. Injunctive relief, however, should be addressed on a case-by-case basis, just as qualification as an orphan work is addressed on a case-by-case basis. The near blanket exclusion of injunctive relief for derivative works of orphan works puts copyright owners at a distinct disadvantage and takes the right to control one's copyright out of the hands of the copyright owner. Furthermore, copyright owner-authors are not the only parties that may suffer irreparable harms from damage to honor and/or reputation due to association with a user and/or a derivative work that are not compensable with monetary damages. As set forth in the hypotheticals above, non-author copyright owners could suffer the same or substantially similar harms to honor and/or reputation through these unwanted and forced associations. Because of this, non-author

<sup>149</sup> SIMON WIESENTHAL CENTER, <http://www.wiesenthal.com> (last visited May 14, 2016).

<sup>150</sup> AMERICAN NAZI PARTY, <http://www.americannaziparty.com> (last visited May 14, 2016).

<sup>151</sup> THE GORDON PARKS FOUND., <http://www.gordonparksfoundation.org> (last visited May 14, 2016).

<sup>152</sup> See ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 64.

copyright owners should also be eligible for injunctive relief in these exceptional cases. Orphan works legislation should address injunctive relief and seek to encourage amicable resolution between owners of orphan works and users. It should not, however, restrict the use of injunctive relief by the courts to the point that it forces copyright owners to accept associations with users regardless of how offensive or distasteful those uses might be to the copyright owner or how unconscionable the use might be in a non-orphan works setting. The balance of copyright owners' rights with orphan works users' rights under any orphan works legislation should, when in doubt, always carefully lean in favor of the copyright owner, because a copyright owner's rights in the orphan work are senior to a user's right to use.

#### 4. *Fair Use*

The issue of fair use is discussed extensively in the 2015 Report. The Copyright Office acknowledges that its approach to fair use in regards to orphan works legislation has changed significantly since the 2006 Report.<sup>153</sup> The 2006 Report generally dismissed fair use as inapplicable because orphan works uses would be beyond the application of fair use.<sup>154</sup> The 2015 Report, however, reverses this view. The Copyright Office now takes the stance that fair use continues to be an important mechanism that can both co-exist with orphan works legislation and benefit users whether or not users choose to avail themselves of an orphan works limitation of liability. The 2015 Report specifically notes that, "The application of fair use to new fact patterns, such as uses of orphan works, is an essential aspect of copyright law jurisprudence, and should not be foreclosed by the introduction of a limitation on liability."<sup>155</sup>

The importance of fair use is not overlooked by the Copyright Office as an important affirmative defense available to users.<sup>156</sup> Fair use is also not overlooked by opponents of orphan works legislation. The Library Copyright Alliance (LCA) argued that the recent advances in fair use law sufficiently address LCA needs and that orphan works

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<sup>153</sup> *Id.* at 41.

<sup>154</sup> *Id.*

<sup>155</sup> *Id.* at 70.

<sup>156</sup> *Id.* at 40.

legislation would be overly complex and restrictive and any benefits would be offset by diligent search requirements.<sup>157</sup>

The arguments against orphan works legislation in favor of fair use are not without merit. The diligent search and notice requirements proposed in the orphan works legislation have the potential to be cumbersome, time consuming, and expensive. However, there is no requirement in the proposed orphan works legislation that requires users to first avail themselves of orphan works protections or that forestalls users from taking advantage of fair use prior to a potential orphan works analysis. LCA members could continue to avail themselves of fair use exclusively and completely forego any options afforded them under an orphan works limitation of liability.

The Copyright Office acknowledged the possibility that some users may prefer the fair use route as opposed to the orphan works limitation on liability. The 2015 Report notes that, “less risk-averse entities may prefer testing the limits of fair use instead of undertaking good faith diligent searches, and they should not be precluded from making that choice.”<sup>158</sup> The inclusion of this language in the 2015 Report appears to be a direct response to concerns with of a potential limitation of fair use due to the implementation of orphan works legislation. In order to assure that there was no implication of restraining the use of fair use, a provision was included in the draft legislation that specifically states that fair use, along with all other rights and defenses under copyright law, are preserved.<sup>159</sup>

#### IV. RECOMMENDATIONS

The proposed orphan works legislation in the 2015 Report, as with most proposed legislation, has strong points and points that may require clarification, reconsideration, and revision. The draft legislation is an improvement over the past proposed orphan works legislation, but it is not sufficiently drafted to the point that it should be considered for enactment.

The first change that should be applied to any orphan works legislation is that it should provide a definition of what constitutes an orphan work. A proposed definition may appear similar to:

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<sup>157</sup> *Id.* at 42.

<sup>158</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 71.

<sup>159</sup> *Id.* at 70, app. A § 514(d).

An Orphan Work is any original work of authorship, whether published or unpublished, registered or unregistered, which is not in the public domain and whose owner(s) cannot be identified, located, and/or contacted by a prospective user of the work following a reasonably diligent, good faith search for the copyright owner(s) identity and location.

While perhaps a bit drawn out, this definition provides a more substantive description of what constitutes an orphan work than the definitions provided above.<sup>160</sup> This definition also puts all copyright owners and users on notice that any work not in the public domain could potentially fall into the orphan works realm.

Orphaned works legislation should also make clear that a new affirmative action is possibly required of all copyright owners. In certain circumstances, copyright owners could now be required to actively engage all requests for licenses or potentially suffer the fate of being deemed un-locatable and having a work classified as an orphan work. However, to alleviate some of the imposition this potential new affirmative response requirement lays upon copyright owners, a searchable affirmative notice from copyright owners archive should be established, much like the proposed Notice of Use archive for users.

This affirmative notice archive would be a location where copyright owners could file their names, contact information, and lists of works that are not available for license. One key provision to this recommendation is that the filing fee for copyright owners should be very low or nonexistent. If a copyright owner took advantage of this affirmative step to file with this archive, this would satisfy the copyright owner's requirement to respond to all licensing requests. This archive would be searchable by users and would be a mandatory portion of any good faith diligent search. Any unauthorized use of any work listed on this archive would not be subject to protection under the orphan works limitation on liability. The copyright owner could then proceed with an infringement case against the unauthorized user unfettered by orphan works restrictions on remedies. This archive would also further the Copyright Office's desire of alleviating the orphan works problem by providing a location where copyright owners

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<sup>160</sup> See *supra* Part II.



can provide notice to users without having to deal with users on an individual basis.

The limitation on liability model proposed by the Copyright Office generally appears to be the best option for the United States copyright system. The case-by-case approach of the orphan works legislation is a fair balance to the blanket approach supported by the Copyright Office for mass digitalization legislation. A case-by-case approach provides copyright owners with reasonable assurance that their works cannot be widely used by any user that wishes to exploit the copyright user's work. At the same time, a case-by-case approach also provides users a fair chance at using works, while limiting potential liability, which may otherwise be unusable due to the inability of the user to identify and locate the copyright owner of the work.

The requirements for a good faith diligent search under the case-by-case limited liability model, however, are an area of contention that is not so easily solved. The Copyright Office's requirements in the 2015 Report for a good faith diligent search are awkward and burdensome on the user. Search requirements are not well defined; searches must be extensive; and searches may possibly be expensive if paid searches must be performed. All of this would be required without providing the user assurance that the search will be deemed diligent for purposes of orphan works limitation on liability. The lack of definitive search requirements leaves the user open to liability if the user's search is determined, for whatever reason a court may find, not to be diligent. The combination of time, money, and doubt are detrimental factors that tend to suggest that users may forego the orphan works process in favor of rolling the dice that no copyright owner will step forward or, in the alternative, mounting a fair use defense.

The Duke proposal for search requirements is the yang to the Copyright Office's yin. The Duke proposal imposes very few requirements on the user to perform a diligent search and focuses more heavily on the provision of notice. Herein lies the rub: a search should be diligent and performed with the intent of discovering the copyright owner of a work, but it also should not be overly expensive and time consuming. A middling of the Copyright Office's proposed requirements and those proposed by Duke appears to be optimal. The problem with this is how to define it.

A search of the Copyright Office's archives, including copyright registration archives, orphan works notice archives, and copyright owner affirmative response archives, as proposed above,

should be mandatory for all searches. However, from that point forward, the defining of a reasonably diligent search becomes much more difficult. As discussed previously, the search for the copyright owner of a poem would probably be much different than a search for the copyright owner of a photograph. The difficulty in defining at what point a particular search becomes diligent without being overly burdensome on the user is the issue in the diligent search dilemma.

A reasonable solution to this dilemma is to install semi-rigid search requirement for orphan works searches that is annually or biannually reviewed and updated by the Copyright Office with input from copyright owners. Initial diligent search requirements could provide that users wishing to avail themselves of the orphan work limitation on liability would be required to perform searches of Copyright Office registration archives, Copyright Office Orphaned Works Notice of Use archives, Copyright Office Copyright Owner Affirmative Notice archives, a minimum of ten general Internet search engine searches, and searches of other databases and websites geared specifically toward the particular type of work being researched. All of these searches would be required to be documented either electronically through screen captures or through paper sources such as printing out screenshots. All documented searches would also be required to contain time and date stamps for verification that the search was performed prior to the use of the orphan work. Further, as provided for in the proposed orphan works legislation, each use of any work would require a separate search that comported with the required search requirements. A new user could not depend solely upon a search conducted by a previous user of the same work, but a previous user's search could be cited as part of the new user's diligent search. Certified diligent foreign searches may also qualify as part of a reasonably diligent search as determined on a case-by-case basis by a court.

The notice requirements proposed by the Copyright Office are substantial. However, the proposed Notice of Use requirements, while requiring the filing of the user's name, is silent on any requirement of the user to provide contact information in the event that the copyright owner should find the notice and want to contact the user. The provision of contact information for the user would be an important piece for bringing the copyright owner and user together. Imagine being a copyright owner and finding that a Notice of Use is filed with the Copyright Office for one of your works and the name of the user who filed the notice is James Smith, the most popular male name in the

United States,<sup>161</sup> but there is no contact information for Mr. Smith. With nearly 40,000<sup>162</sup> James Smiths in the United States, the task for the copyright owner to find James Smith the user would be daunting.<sup>163</sup> Common sense dictates that contact information for a user, in the form of an email address, telephone number, or physical address, would be required when a notice of use is filed with the Copyright Office. Users' contact information should also be required to be kept up to date by the user for the benefit of copyright owners. Without these features, the point of orphan works legislation, to bring copyright owners and users together, is stymied from the outset.

The other notice requirement recommendation, as discussed above, is the cost of filing a notice of use. The filing of a notice of use should be inexpensive or free, if done electronically. It can be reasonably concluded that a substantial filing cost would act as a barrier to filing a notice for many users. If the intended purpose of orphan works legislation is to foster access to works that would otherwise be inaccessible due to copyright restraints, then it would be logical to maintain the lowest price point possible to encourage maximum use.

The elimination of attorneys' fees for claims of infringement under orphan works legislation for registered works is troubling. As discussed previously, the elimination of attorneys' fees under an orphan works limitation on liability could negatively impact a copyright owner's willingness to register a work.<sup>164</sup> The intention of orphan works legislation, to open up access to works for qualified users by providing limitations on liability, should not overpower a copyright owner's rights to aggressively enforce his/her rights. The cost of pursuing an infringement claim can be substantial, and attorneys' fees are a significant factor in that cost. If a copyright owner is forced to shoulder the cost of attorneys' fees then that could act as a deterrent to the copyright owner to pursue reasonable compensation from a user.

Similarly, the elimination of costs is another significant deterrent to copyright owners seeking reasonable compensation under orphan works limitation on liability. The cost to the copyright owner of

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<sup>161</sup> Lee Hartman, *Why Aren't There More John Smiths in the U.S.?*, SLATE (Nov. 3, 2013), [http://www.slate.com/articles/life/slate\\_labs/2013/11/john\\_smith\\_why\\_don\\_t\\_more\\_americans\\_have\\_this\\_most\\_common\\_name.html](http://www.slate.com/articles/life/slate_labs/2013/11/john_smith_why_don_t_more_americans_have_this_most_common_name.html)

<sup>162</sup> *Id.*

<sup>163</sup> *Id.*

<sup>164</sup> See *supra* Part III.B.3.a.

providing valuations for a work immediately prior to the implementation of the use of the work by the user could be substantial. These substantial costs, like attorneys' fees, could dissuade a copyright owner from seeking reasonable compensation from a user if those costs and attorneys' fees are not potentially recoupable.

Reasonable compensation for the use of a work is not reasonable if the compensation does not take into consideration the expense that the copyright owner incurred to establish and retrieve said reasonable compensation. The limited liability purpose of orphan works legislation needs to be balanced against a copyright owner's costs in protecting her copyright. An equitable compromise in this situation would be the installation of a system for registered works that mimics the remedies for infringement that presently exist. If a registered work is legitimately registered as an orphan work, the copyright owner would then have the choice of seeking reasonable compensation from the user under a statutory damages scale, the scale for orphan works statutory damages being a significantly lower amount than the standard infringement range, or choose to do a valuation for the purpose of showing the likelihood of what a licensing fee would have been if entered into immediately prior to the use. Taking the statutory damages route could be a faster and less involved process for a copyright owner and user but less precise in valuation. Performing a valuation could be more precise in determining the actual value of the work immediately prior to the use but also more time consuming and expensive. When evaluating a reasonable compensation, a court could take these factors into account and apply none, part, or all of the cost of valuation on the user. This uncertainty would act as a motivator for both copyright owners and users to negotiate under the orphan works statutory damages range to avoid potentially higher and indeterminate costs. This would also eliminate the disincentive to registration that could occur if attorneys' fees and costs were eliminated for registered works under orphan works legislation.

At the same time, no provision for costs or attorneys' fees for unregistered works under orphan works legislation may provide a further incentive to copyright owners to register their works. The Copyright Office estimates that the majority of orphan works will be comprised of unregistered works. Registered works, which would comprise the minority of orphan works, would maintain the advantages of registration, while unregistered works, which would comprise the majority of orphan works, would have no such benefits and would

provide significant limitations on liability to qualified orphan works users.

The potential curtailment or elimination of injunctive relief under orphan works legislation is a significant diversion from copyright procedures. As discussed above, injunctive relief is often the first remedy sought in an infringement suit and potentially the only remedy received. The proposed orphan works legislation does not eliminate injunctive relief completely, but it does restrain it significantly regarding derivative works and in the area of reputational harm. Furthermore, the 2015 Report makes clear that the Copyright Office's intention is to limit the application of injunctive relief by the courts in most orphan works cases.<sup>165</sup>

Injunctive relief is an important remedy in infringement cases that should be available to all copyright owners. That being said, the intention of the Copyright Office to strike a balance between copyright owners' rights and users' good faith use of orphan works is an important consideration. The Copyright Office's proposal to exempt derivative works from injunctive relief is logical when all orphan works requirements are met and the copyright owner and user agree to a reasonable compensation. A user that creates a derivative work after doing a good faith diligent search and filing notice of use should not have to fear that if the copyright owner of the original work comes forward that the derivative work would be enjoined from any further use. This limitation on injunctive relief would act as an encouragement to qualified users to utilize orphan works and invest in the creation of derivative works, as the Copyright Office contends. However, as discussed,<sup>166</sup> the 2015 Report does recognize that the unavailability of injunctive relief for derivative works is not appropriate in all situations.

The Copyright Office proposes that injunctive relief for derivative works be available only when reasonable compensation is insufficient to remedy the claimed harm to honor and/or reputation and the copyright owner is also the author of the original work.<sup>167</sup> In order for injunctive relief to be applied in this situation, a court would need to determine that the continued preparation or use of the derivative work would be so detrimental to a copyright owner-author's reputation and/or honor that the harm could not be curried by reasonable

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<sup>165</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 67.

<sup>166</sup> See *supra* Part III.B.3.c.

<sup>167</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 68.

compensation alone.<sup>168</sup> This approach, while intended to address copyright owner-authors' concerns and find a balance between good faith users and copyright owner-authors, is too restrictive. Copyright owner-authors are not the only parties that can suffer harm that would be prejudicial to their reputation or honor. There are many situations where a non-author copyright owner, whether individual or organization, could suffer prejudicial and possibly irreparable harm to her reputation and/or honor due to association with a derivative work whose content or author is antithetical to the non-author copyright owners moral stance and/or reputation in the community. It is for this reason that orphan works legislation should not limit injunctive relief to only copyright owner-authors in cases of derivative works. Courts should have the ability to decide the application of injunctive relief on a case-by-case basis for any copyright owner that claims prejudicial harm to reputation and honor, regardless of authorship status.

The Copyright Office's new stance on fair use in the 2015 Report deserves recognition and endorsement. Fair use is arguably more important to copyright at this moment in time than at any previous time in its history. The importance of fair use is no longer a consideration just for potential copyright users but also for copyright owners.<sup>169</sup> The continued availability of fair use in conjunction with orphan works legislation would provide users important protections and peace of mind when entering the orphan works arena. Theoretically, a user could do a good faith diligent search, as interpreted by the user, with an eye on fair use as a back-up defense. If a copyright owner were to sue for infringement in this situation and the court were to determine that the user's search was not diligent or the notice of use was faulty, the user would still be afforded the opportunity to present a fair use defense. In the alternative, a user could choose to forego the orphan works limitation on liability completely and move forward using a work under a theory of fair use alone.<sup>170</sup> The Copyright Office's decision to specifically address and maintain fair use in the proposed orphan works legislation is an indication of the importance of fair use to copyright users.

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<sup>168</sup> *Id.*

<sup>169</sup> *Lenz v. Universal Music Corp.*, 801 F.3d 1126 (9th Cir. 2015), *amended and superseded on denial of reh'g*, 815 F.3d 1145 (9th Cir. 2016).

<sup>170</sup> ORPHAN WORKS AND MASS DIGITIZATION, *supra* note 6, at 71.

## V. CONCLUSION

The discussion of orphan works, the analysis of the 2015 Report and the proposed orphan works legislation, and the recommendations for proposed orphan works legislation are not easily structured. Very few, if any, matters are black and white when dealing with orphan works. Opinions still differ as to whether there is an orphan works problem at all, or, if there is, whether the orphan works problem requires legislation or if existing legal principles are sufficient to address the issue.<sup>171</sup> The reality is that no one can say with certainty what benefit or detriment orphan works legislation may bring.

Copyright owners, copyright users, the Copyright Office, lawmakers, experts, practitioners, and lay people can speculate over the positive and negative results of orphan works legislation but none can know what impact, if any, it will have until it is enacted. However, there are two things that none of the people or groups involved in and concerned with the orphan works issue can deny: 1) technology is causing the proliferation of the number of original works of authorship, whether published or unpublished, that are entering the public view on a daily basis, which in turn have the potential to swell the orphan works ranks; and 2) any orphan works legislation enacted will be a twenty-first century addition to a twentieth century Act.

Orphaned works legislation, while well intentioned, is a stopgap approach to dealing with the issue of the proliferation of orphan works, especially in new technology. It is a digital patch added onto an 8-track tape<sup>172</sup> copyright statute. A standalone orphan works addition to the 1976 Copyright Act is not the solution to the orphan works issue. It is, more likely than not, another piece of legislation that will lead to unintended consequences, much like the dropping of copyright notice requirement for publication or the continuous extension of copyright terms.<sup>173</sup>

The consequences of eliminating the copyright notice requirement have had a direct impact upon the increase in orphan works. Prior to January 1, 1978, if a work was published without

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<sup>171</sup> *Id.* at 70–71.

<sup>172</sup> *The History of the 8-Track Tape*, RECORDING HIST.: THE HIST. OF RECORDING TECH., <http://www.recording-history.org/HTML/8track1.php> (last visited May 14, 2016).

<sup>173</sup> DAVID R. HANSEN, ORPHAN WORKS: CAUSES OF THE PROBLEM (Berkeley Digital Library Copyright Project White Paper No. 3, Apr. 10, 2012), <http://ssrn.com/abstract=2038068>.

copyright notice, it went immediately into the public domain, and from January 1, 1978, until March 1, 1989, if a work was published without copyright notice and not subsequently registered with the Copyright Office within five years, the work fell to the public domain.<sup>174</sup> However, since March 1, 1989, there has been no copyright notice requirement, which has allowed people to publish millions and possibly billions of works, depending on how publication is interpreted, without the requirement for any identification of copyright ownership and still maintain copyright ownership. This plethora of works, which in the past would have flowed directly into the public domain, now often flows into the ocean of orphan works instead.

Similarly, the progressive extension of copyright terms has created a situation where virtually no new works are entering the public domain. The retention of copyrights in private hands for longer and longer periods, much like the changes in copyright formalities, is exacerbating the orphan works problem. Orphaned works legislation is then needed to attempt to alleviate the problem caused by the elimination of copyright formalities and the extension of copyright terms. Changes to the 1976 Copyright Act were held out as benefits when enacted by Congress.

Congress should look to institute a new copyright act instead of adding another patch to cover holes in the current copyright statute created by previous changes. A new copyright act could smoothly update and integrate changes to the United States copyright system.<sup>175</sup> A new copyright Act could also integrate the orphan works issue into the structure of the new act and account for issues such as notice, publication, and search requirements. A Band-Aid<sup>176</sup> is great for a scraped knee but not very effective for fixing a broken leg. Unfortunately, orphan works legislation is the equivalent of a Band-Aid, and the 1976 Copyright Act is the broken leg. Orphan works legislation might stop the bleeding for a while, but the leg is still broken. So is our current system of copyright.

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<sup>174</sup> *Copyright Term and the Public Domain in the United States*, CORNELL, <http://copyright.cornell.edu/resources/publicdomain.cfm> (last updated Jan. 3, 2016).

<sup>175</sup> The author here is being an eternal optimist as opposed to a pragmatist.

<sup>176</sup> Band-Aid brand adhesive bandages is a registered Trademark of Johnson & Johnson, 1 Johnson & Johnson Plaza, New Brunswick, New Jersey 08933-7001. BAND-AID, Registration No. 4182885.